



U.S. Department of Justice

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PRESS RELEASE

FORMER UTAH DEPARTMENT OF WORKFORCE SERVICES CLAIMS ADJUDICATOR, THREE OTHERS ARRESTED ON FEDERAL IDENTITY THEFT CHARGES

SALT LAKE CITY – A former eligibility specialist for the Utah Department of Workforce Services and three other individuals are in custody today facing federal identity theft charges in complaints unsealed in U.S. District Court Thursday morning. The federal charges allege the former Workforce Services employee had access to the DWS customer database and used the information to steal the identity of some of the individuals in the database.

Charged in the complaints are Laura Bustamante, age 34, of Midvale, the former DWS employee; John Johnstun, age 44, of Midvale; Joshua

Smith, age 32, of Murray; and Michelle Chapman, age 29, of Murray. Bustamante and Johnstun had initial appearances in federal court this morning. They are scheduled for a detention hearing Monday at 10:45 a.m. before U.S. Magistrate Judge David Nuffer. Chapman and Smith are scheduled for initial appearances Friday at 9 a.m. before U.S. Magistrate Judge Brooke Wells.

Bustamante is charged with one count of computer fraud, two counts of aggravated identity theft, and one count of destruction of records. Johnstun is charged with one count of destruction of records. Smith and Chapman are each charged with one count of access device fraud and one count of aggravated identity theft.

The potential penalty for computer fraud is up to five years in federal prison. Destruction of records has a potential 20-year sentence. Access device fraud is up to 10 years. Aggravated identity theft carries a mandatory-minimum two-year sentence which must be run consecutive (stacked) to any other sentence a defendant receives. Defendants charged in complaints are presumed innocent unless or until proven guilty in court. The next step in the process will be to present the case to a federal grand jury.

According to Department of Workforce Services officials, Bustamante had access to 1,775 individual cases as a part of her work responsibility. As of today, the criminal investigation has confirmed that a small number of customers' personal information has been misused to obtain credit or conduct illegal financial transactions. The Department of Workforce Services has identified those individuals in its database whose personal information may have been compromised, has contacted them by mail or telephone, and has organized resources to support them. Additional information about the steps DWS has taken are outlined on a incident overview included with this press release.

"We sincerely regret this breach of security," said DWS Executive Director Kristen Cox. "Our former employee's alleged misconduct certainly does not represent the longstanding honesty, integrity and dedication of our staff to the well being of each and every one of our customers. We remain committed to ensuring our customers have safe, secure access to our services."

The cases are being investigated by the Utah Identity Theft Task Force, including the Utah Attorney General's Office and the U.S. Secret Service; the Motor Vehicle Enforcement Division for the State of Utah (this is NOT DMV), and the South Jordan Police Department. Bustamante and Johnstun were arrested Tuesday following the execution of a search warrant by the South Jordan Police Department assisted by Motor Vehicles Enforcement Division officers and agents of the Utah Identity Theft Task Force. Chapman and Smith were arrested by Utah Identity Theft Task Force agents and Motor Vehicles Enforcement officers.

"This case is an excellent example of how the various state, local, and federal partners involved in the Utah Identity Theft Task Force have joined with other agencies to protect the public from ID thieves," U.S. Attorney Brett L. Tolman said. "We are committed to aggressively investigating and prosecuting identity theft, particularly in a case like this one where information entrusted to a public agency has been misused. I commend the Department of Workforce Services for the swift action under way to help those whose personal information may have been compromised," Tolman said.

The criminal case investigation started Jan. 17, 2008, when Motor Vehicle Enforcement officers located Chapman and Smith in a hotel room on North Temple in Salt Lake City. During a search subsequent to arrest, officers found a variety of counterfeit state identification cards, a large amount of stolen mail, credit cards, credit card member agreement correspondence, credit card pin number correspondence, credit report information, and store receipts for two laptop computers, among other things.

According to the complaints, during an interview Smith said Laura Bustamante provided him personal identifying information she had extracted from the Utah Department of Workforce Services customer database, which he used to obtain credit cards and commit identity theft. Smith said he received the personal information of victims by phone text from Bustamante. According to the complaint, in a subsequent interview, Smith told investigators he was involved in charging more than \$13,000 to credit cards issued in the names of victims. Chapman also told investigators the personal identifying information found in the hotel room came from Bustamante.

According to the complaint charging Bustamante, she began employment with DWS on Aug. 2, 2004. As an eligibility specialist, she had access to the database which includes all of the application data of DWS customers, including names, dates of birth, Social Security numbers, addresses, phone numbers, images of bank statements, images of driver's licenses, and immediate family identifying information.

According to the complaints, Bustamante was put on administrative leave Jan. 16, 2008, following an anonymous phone tip advising the agency that she was using her access to the customer database to commit identity theft and an investigation was launched.

DWS confirmed, according to the complaint, that each of the 33 names recovered at the hotel on Jan. 17, 2008, had Utah Department of Workforce Services accounts and all 33 account files were accessed by Bustamante.

Copies of the two complaints are included with this press release.

(Editor's note: the complaint refers to Bustamante as a claims adjudicator at DWS. The correct position is eligibility specialist.)

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